

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6071

BILL NUMBER: HB 1668

DATE PREPARED: Oct 18, 2000

BILL AMENDED:

SUBJECT: Municipal legal actions.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill prohibits a municipal corporation, including a county, municipality, township, school corporation, or other separate local governmental entity that may sue and be sued, from bringing an action against a person for: (1) recovery of damages resulting from, or injunctive relief or abatement of a nuisance relating to, the lawful design, manufacture, marketing, sale, or use of a product or service; or (2) recovery of damages resulting from the criminal or unlawful misuse of a product or service by a third party.

A municipal corporation is allowed to bring an action against a person for recovery of damages for: (1) breach of contract or warranty concerning products or services purchased by the municipal corporation; (2) damage or harm to property owned or leased by the municipal corporation caused by a defective product or service; and (3) injunctive relief to enforce a valid statute, rule, or ordinance.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill precludes potential revenue which could be generated as a result of a successful tort action brought by a municipal corporation against a person relating to the lawful design, manufacture, marketing, sale or use of a product or service. This bill also prevents the recovery of damages resulting from the criminal or unlawful misuse of a product or service by a third party.

State Agencies Affected:

Local Agencies Affected: Municipal corporations.

Information Sources: